

Exhibit B

State of California ex rel. Ven-A-Care of the Florida Keys, Inc.
v. Abbott Laboratories, Inc., et al., Master Civil Action No. 01-12257-PBS,
Subcategory Case No. 06-11337

Exhibit to the December 21, 2009 Declaration of Christopher C. Palermo in Support
of Defendants Mylan Inc. and Mylan Pharmaceuticals Inc.'s. Opposition to Plaintiffs' Motion for Partial Summary
Judgment

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November 26, 2007

Canonsburg, PA

Page 1

1 IN THE UNITED STATES DISTRICT COURT

2 DISTRICT OF MASSACHUSETTS

3 - - - - -

4 -----X

5 THE COMMONWEALTH)

6 OF MASSACHUSETTS,)

7 Plaintiff,) Civil Action

8 -vs-) No. 03-11865-PBS

9 MYLAN LABORATORIES, INC.,)

10 IVAX CORPORATION, WARRICK) November 26, 2007

11 PHARMACEUTICALS CORPORATION,) Monday, 9:42 a.m.

12 WATSON PHARMACEUTICALS, INC.,)

13 SCHEIN PHARMACEUTICAL, INC.,) Canonsburg, PA

14 TEVA PHARMACEUTICALS USA, INC.,)

15 PAR PHARMACEUTICAL, INC.,)

16 ETHEX CORPORATION, PUREPAC)

17 PHARMACEUTICAL CO., and)

18 ROXANE LABORATORIES, INC.,)

19 Defendants.)

20 -----X

21 VIDEOTAPE DEPOSITION OF HARRY A. KORMAN

22

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<p style="text-align: right;">Page 2</p> <p>1 VIDEOTAPE DEPOSITION OF: HARRY A. KORMAN</p> <p>2</p> <p>3 DATE: November 26, 2007</p> <p>4 Monday, 9:00 a.m.</p> <p>5 LOCATION: Hilton Garden Inn</p> <p>6 1000 Corporate Drive</p> <p>7 Canonsburg, PA</p> <p>8 TAKEN BY: Plaintiff</p> <p>9 REPORTED BY: Nina Warren Biehler</p> <p>10 Notary Public</p> <p>11</p> <p>12 VIDEOTAPE DEPOSITION OF HARRY A. KORMAN,</p> <p>13 a witness, called by the Plaintiff for examination,</p> <p>14 in accordance with the Federal Rules of Civil</p> <p>15 Procedure, taken by and before Nina Warren Biehler,</p> <p>16 a Court Reporter and Notary Public in and for the</p> <p>17 Commonwealth of Pennsylvania, at the Westmoreland</p> <p>18 Room of the Hilton Garden Inn, Pittsburgh,</p> <p>19 Pennsylvania, on Monday, November 26, 2007,</p> <p>20 commencing at 9:42 a.m.</p> <p>21</p> <p>22</p>	<p style="text-align: right;">Page 4</p> <p>1 I N D E X</p> <p>2</p> <p>3 WITNESS: HARRY A. KORMAN PAGE</p> <p>4 Examination by Mr. Mullin..... 007</p> <p>5</p> <p>6</p> <p>7 E X H I B I T S</p> <p>8 NUMBER DESCRIPTION PAGE</p> <p>9 Exhibit Korman 001, Memorandum of 12-11-2000... 083</p> <p>10 Exhibit Korman 002, E-mail of 11-8-2001..... 091</p> <p>11 Exhibit Korman 003, 1252973 and 1252974..... 094</p> <p>12 Exhibit Korman 004, 195884..... 105</p> <p>13 Exhibit Korman 005, 65785 - 65790..... 129</p> <p>14 Exhibit Korman 006, Memorandum of 11-27-1998... 147</p> <p>15 Exhibit Korman 007, 2298877..... 189</p> <p>16 Exhibit Korman 008, 2305037..... 197</p> <p>17 Exhibit Korman 009, California No. 121 - 123... 209</p> <p>18 Exhibit Korman 010, California No. 111 - 113... 214</p> <p>19 Exhibit Korman 011, 1896515..... 220</p> <p>20 Exhibit Korman 012, 1261008..... 230</p> <p>21 Exhibit Korman 013, 1261248..... 230</p> <p>22 Exhibit Korman 014, E-mail of 5-15-2000..... 236</p>
<p style="text-align: right;">Page 3</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 FOR THE PLAINTIFF:</p> <p>4 Peter A. Mullin, Esq.</p> <p>5 Robert C. Molvar, Esq.</p> <p>6 Assistant Attorneys General</p> <p>7 Medicaid Fraud Control Unit</p> <p>8 100 Cambridge Street</p> <p>9 Boston, MA 02114</p> <p>10 P 617-727-2200 / F 617-727-2008</p> <p>11 robert.molvar@ago.state.ma.us</p> <p>12</p> <p>13 FOR THE DEFENDANT MYLAN LABORATORIES, INC.:</p> <p>14 William A. Escobar, Esq.</p> <p>15 Kelley Drye & Warren, LLP</p> <p>16 101 Park Avenue</p> <p>17 New York, New York 10178</p> <p>18 P 212-808-7771 / F 212-808-7897</p> <p>19 Wescobar@kelleydrye.com</p> <p>20</p> <p>21 ALSO PRESENT:</p> <p>22 Matt Martin, Videotape Technician</p>	<p style="text-align: right;">Page 5</p> <p>1 E X H I B I T S (CONTINUED)</p> <p>2 NUMBER DESCRIPTION PAGE</p> <p>3 Exhibit Korman 015, 64395 - 64398..... 247</p> <p>4 Exhibit Korman 016, MYLCA 000105 - 000106..... 271</p> <p>5 Exhibit Korman 017, 1253761..... 294</p> <p>6 Exhibit Korman 018, 1253633..... 294</p> <p>7 Exhibit Korman 019, Report of 6-21-2000..... 309</p> <p>8 Exhibit Korman 020, 1994164 - 1994178..... 317</p> <p>9 Exhibit Korman 021, MAMylan000100 - 112..... 323</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p>

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<p style="text-align: right;">Page 70</p> <p>1 1998 to 2003.</p> <p>2 Q. Okay. I may also use, in the course of</p> <p>3 questions, the term subject drugs. Essentially,</p> <p>4 the case we've sued on relates to three drugs,</p> <p>5 Lorazepam, Clozapine and Phenytoin Sodium.</p> <p>6 Do you understand what I'm saying when</p> <p>7 I say subject drugs?</p> <p>8 A. Yes, I understand what you're saying.</p> <p>9 Q. And the entity, the corporation that</p> <p>10 was sued in this case, is Mylan Laboratories,</p> <p>11 Incorporated. Are you familiar with that</p> <p>12 corporation?</p> <p>13 MR. ESCOBAR: Objection, asked and</p> <p>14 answered.</p> <p>15 MR. MULLIN: Not in this deposition.</p> <p>16 BY MR. MULLIN:</p> <p>17 Q. Are you familiar with that corporation?</p> <p>18 A. Mylan Laboratories, Inc., yes, I'm</p> <p>19 familiar with that corporation.</p> <p>20 Q. And is it -- has it recently changed</p> <p>21 its name to Mylan, Inc., I-N-C?</p> <p>22 A. Yes, I believe that's what it's changed</p>	<p style="text-align: right;">Page 72</p> <p>1 2003?</p> <p>2 MR. MULLIN: Yes.</p> <p>3 THE WITNESS: Yes.</p> <p>4 BY MR. MULLIN:</p> <p>5 Q. And what was the business of UDL?</p> <p>6 A. The business of UDL, primary business,</p> <p>7 was to sell generic pharmaceuticals in a unit</p> <p>8 dose format to the institutional marketplace.</p> <p>9 Q. And did UDL manufacture any products?</p> <p>10 A. UDL may have manufactured products in</p> <p>11 the 1998 to 19 -- or to the approximate 2000 time</p> <p>12 frame.</p> <p>13 Q. And would that be a minor part of its</p> <p>14 business or was that a minor part of its business</p> <p>15 during that time period?</p> <p>16 MR. ESCOBAR: Objection to the form.</p> <p>17 THE WITNESS: Can you quantify minor?</p> <p>18 BY MR. MULLIN:</p> <p>19 Q. Five, ten percent.</p> <p>20 A. No, it would not have been minor.</p> <p>21 Q. Because it would be more than five or</p> <p>22 ten percent?</p>
<p style="text-align: right;">Page 71</p> <p>1 its name to.</p> <p>2 Q. And is it fair, is it accurate to say</p> <p>3 that that company is a holding company?</p> <p>4 A. Yes, it's fair to say that Mylan, Inc.</p> <p>5 is a holding company.</p> <p>6 Q. And that one of the things it holds is</p> <p>7 Mylan Pharmaceuticals, Inc.?</p> <p>8 A. Yes, one of the assets of Mylan, Inc.</p> <p>9 is Mylan Pharmaceuticals, Inc.</p> <p>10 Q. And throughout the relevant time</p> <p>11 period, January '98 through September 2003, what</p> <p>12 was the business of Mylan Pharmaceuticals, Inc.?</p> <p>13 A. The primary business of Mylan</p> <p>14 Pharmaceuticals, Inc. was to sell generic</p> <p>15 pharmaceuticals into the marketplace.</p> <p>16 Q. It both manufactured them and sold</p> <p>17 them?</p> <p>18 A. Yes, it did.</p> <p>19 Q. Okay. In addition, did Mylan</p> <p>20 Laboratories, Inc., now Mylan, Inc., hold a</p> <p>21 company by the name of UDL Laboratories, Inc.?</p> <p>22 MR. ESCOBAR: Are you talking '98 to</p>	<p style="text-align: right;">Page 73</p> <p>1 A. Yes.</p> <p>2 Q. What's your best estimate as to, when</p> <p>3 it was manufacturing, what percentage of the</p> <p>4 product that it sold it manufactured? What's the</p> <p>5 peak?</p> <p>6 MR. ESCOBAR: Objection to the form.</p> <p>7 THE WITNESS: Could have been 15</p> <p>8 percent of net sales.</p> <p>9 BY MR. MULLIN:</p> <p>10 Q. And somewhere by 2000 it stopped</p> <p>11 manufacturing?</p> <p>12 A. The manufacturing division was sold off</p> <p>13 some time shortly, I believe, after 2000.</p> <p>14 Q. And the products that UDL sold, did it</p> <p>15 acquire at least some of its product from Mylan</p> <p>16 Pharmaceuticals, Inc.?</p> <p>17 A. Yes, it acquired some of its products.</p> <p>18 Q. And is it fair, is it accurate to say</p> <p>19 that throughout the relevant time period that UDL</p> <p>20 acquired most of its, the product that it sold,</p> <p>21 from Mylan Pharmaceuticals, Inc.?</p> <p>22 MR. ESCOBAR: Objection to the form.</p>

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<p style="text-align: right;">Page 142</p> <p>1 understand.</p> <p>2 MR. MULLIN: How Mylan's product was</p> <p>3 being reimbursed by the Medicaid program.</p> <p>4 MR. ESCOBAR: Objection to the form.</p> <p>5 THE WITNESS: No, I don't believe Mylan</p> <p>6 kept track, that I recall, of how our products</p> <p>7 were being reimbursed by, I think you said, the</p> <p>8 Medicaid system.</p> <p>9 BY MR. MULLIN:</p> <p>10 Q. Looking at Exhibit Korman 005, the</p> <p>11 January 30, 1998 memorandum from Steve Krinke, to</p> <p>12 Sue Gaston, isn't it true that the reason Mylan</p> <p>13 was sending this memorandum to the Health Care</p> <p>14 Financing Administration was that it was</p> <p>15 concerned that the Federal Upper Limit with</p> <p>16 regard to Lorazepam would interfere with the</p> <p>17 ability of Mylan to increase its prices relating</p> <p>18 to Lorazepam?</p> <p>19 MR. ESCOBAR: Objection to the form.</p> <p>20 And that's a gross mischaracterization of the</p> <p>21 document that you're looking at.</p> <p>22 THE WITNESS: Can you read it back? I</p>	<p style="text-align: right;">Page 144</p> <p>1 No foundation. There's nothing in here that</p> <p>2 suggests that.</p> <p>3 THE WITNESS: Again, on the page I</p> <p>4 don't -- I don't see where it says Mylan cared.</p> <p>5 BY MR. MULLIN:</p> <p>6 Q. Well, what's the first line of the</p> <p>7 letter?</p> <p>8 A. Please review the following product for</p> <p>9 potential discontinuance of Federal Upper Limits.</p> <p>10 Q. Doesn't that indicate that the company</p> <p>11 cares?</p> <p>12 MR. ESCOBAR: Objection to the form,</p> <p>13 calls for speculation.</p> <p>14 THE WITNESS: Again, I think it's just</p> <p>15 -- it's just stating a request or a fact, please</p> <p>16 review the following products. What happens, I</p> <p>17 don't think it states here.</p> <p>18 BY MR. MULLIN:</p> <p>19 Q. Mr. Krinke, on behalf of Mylan</p> <p>20 Pharmaceuticals, is asking the Health Care</p> <p>21 Financing Administration to do something, right?</p> <p>22 MR. ESCOBAR: Objection to the form,</p>
<p style="text-align: right;">Page 143</p> <p>1 think there were two questions there, I'm not</p> <p>2 sure how to respond to that.</p> <p>3 MR. MULLIN: Let's read it back.</p> <p>4</p> <p>5 (The record was read back by the</p> <p>6 Reporter.)</p> <p>7</p> <p>8 THE WITNESS: On the page that I've</p> <p>9 looked at, no, I don't see that contained in this</p> <p>10 document.</p> <p>11 BY MR. MULLIN:</p> <p>12 Q. I'm not asking you to read the document</p> <p>13 and see if those words are there, I'm asking you</p> <p>14 whether or not that isn't the purpose, the</p> <p>15 reason, that the company was sending this</p> <p>16 document to Sue Gaston.</p> <p>17 A. And I think I've answered you, I don't</p> <p>18 think that was the purpose of why we were sending</p> <p>19 this document.</p> <p>20 Q. Why did Mylan care what the Federal</p> <p>21 Upper Limit was on the product?</p> <p>22 MR. ESCOBAR: Objection to the form.</p>	<p style="text-align: right;">Page 145</p> <p>1 mischaracterizes the document. The document,</p> <p>2 including the letter and everything that follows</p> <p>3 from that letter.</p> <p>4 BY MR. MULLIN:</p> <p>5 Q. Isn't he asking them to do something?</p> <p>6 A. He's asking them to review the</p> <p>7 products.</p> <p>8 Q. Right. And he wants them to</p> <p>9 discontinue the Federal Upper Limit, right?</p> <p>10 MR. ESCOBAR: Objection to the form,</p> <p>11 that's not even what it says.</p> <p>12 Why are you mischaracterizing the</p> <p>13 document, Mr. Mullin? What's your purpose --</p> <p>14 MR. MULLIN: You can state your</p> <p>15 objections. I'd ask you to state them in the</p> <p>16 form of a federal civil action, which is to not</p> <p>17 state an argumentative objection, to just state</p> <p>18 the grounds of your objection.</p> <p>19 MR. ESCOBAR: Well, that's correct, as</p> <p>20 long as you're asking a proper question. When</p> <p>21 all you're doing is mischaracterizing a document</p> <p>22 as the basis for your question and when all</p>

37 (Pages 142 to 145)